



Norman H. Bangertter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

November 18, 1991

TO: Board of Oil, Gas and Mining

THRU: Lowell P. Braxton, Associate Director, Mining *LOB*

THRU: Wayne Hedberg, Permit Supervisor *DWH*

FROM: Holland Shepherd, Senior Reclamation Specialist *HWS*

RE: Request for Board Action of Bond Forfeiture and Reclamation of the MiVida Mine, Minerals West, Inc., M/037/028, San Juan County, Utah

Please find attached, a copy of the Notice of Agency Action, requesting that the Board take action to allow bond forfeiture and reclamation of the MiVida mine in San Juan, County. Also, attached is a draft copy of a Board Order requiring forfeiture and reclamation.

The Notice of Agency Action specifies the events and site conditions which have prompted the Division to take action regarding the MiVida site. The site has become effectively abandoned by the operator, Minerals West, and currently presents a number of public and environmental safety hazards.

Because of the MiVida mine's historical significance, the Division is particularly interested in preserving some of the MiVida's historical features. The Division is currently negotiating with San Juan County and Energy Fuels Nuclear, Inc. regarding those features of unique historical significance, and the type and extent of reclamation which will be performed at the MiVida site.

Energy Fuels Nuclear, Inc. purchased the property from Minerals West, Inc. in September of 1985, but disagreements between the two companies, have prevented a formal transfer of the permit from Minerals West to Energy Fuels. Energy Fuels is currently willing to *voluntarily* perform a portion of the reclamation, but not all of it. The Division must, therefore, forfeit the existing surety and assume responsibility for reclaiming the remainder. The remainder will focus on preserving some of the historical features at the MiVida. In order to adequately preserve the historic features

*[Signature]*  
11/22/91

Page 2  
Board Memo  
MiVida Mine  
M/037/082  
November 18, 1991

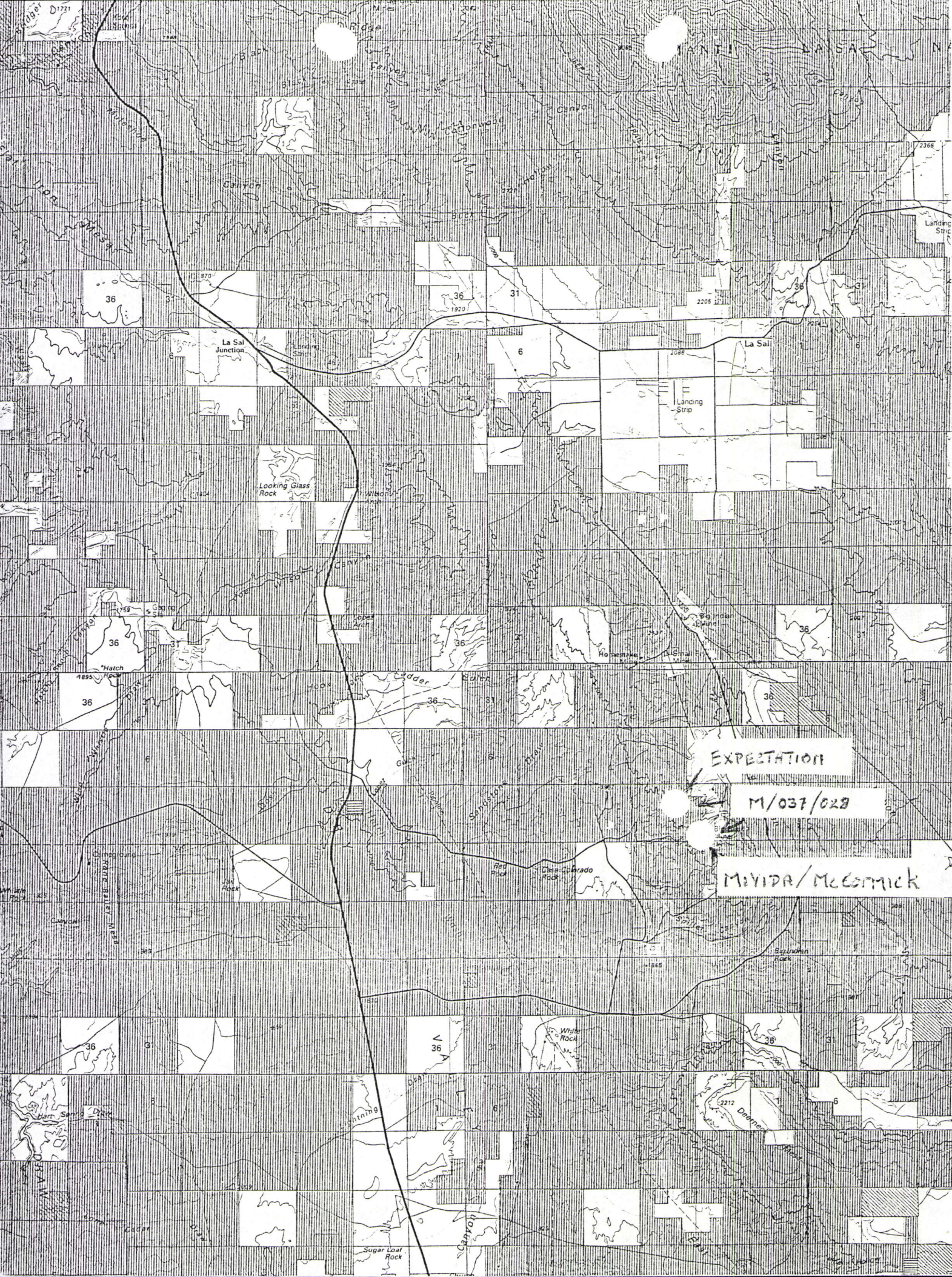
and complete the remaining reclamation, it will be necessary for the Division to obtain the \$19,569 held as surety.

The MiVida permit consists of three sites: the Expectation Tunnel, the McCormick Tunnel and the old MiVida Complex. A map indicating the general locations of these sites is attached.

Thank you for your consideration of this request.

jb  
Attachments  
M037028.1







BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PETITION	)	NOTICE OF
OF THE DIVISION OF OIL, GAS AND	)	AGENCY ACTION
MINING FOR AN ORDER ALLOWING	)	
FOR THE BOND FORFEITURE AND	)	DOCKET NO. 91-045
RECLAMATION OF THE MIVIDA MINE,	)	CAUSE NO. M/037/028
M/037/028, SAN JUAN COUNTY, UTAH	)	

The Division of Oil, Gas and Mining, "Division," hereby respectfully petitions the Board of Oil, Gas and Mining, "Board," for an order directing the Division to revoke Permit No. M/037/028, and forfeit the reclamation surety posted for the MiVida Mine under Permit No. M/037/028, and authorization to enter upon and perform reclamation on land known as the MiVida Mine, located in San Juan County, Utah, and operated by Minerals West, Inc.

The Division respectfully requests that a hearing on this matter be set for the Board's regularly scheduled meeting on December 5, 1991. Mr. D. Wayne Hedberg, Permit Supervisor and/or Mr. Holland W. Shepherd, Senior Reclamation Specialist, Minerals Regulatory Program, will participate on behalf of the Division in this matter.

JURISDICTION

1. This action is brought by the Division pursuant to Utah Code Ann. §40-8-7 (1953, as amended).
2. Jurisdiction over this matter is conferred upon the Board by Utah Code Ann. §40-8-6 (1953, as amended).

Count I

7. The Division incorporates by reference paragraphs 1 through 5 as stated above.

8. There presently exists outstanding public safety and environmental problems at the MiVida site. The failure and inability of Minerals West, Inc. to meet Division deadlines necessitates a Board Order revoking Minerals West, Inc.'s permit to mine and forfeiture of the funds held as reclamation surety for the MiVida Mine, under permit M/037/028.

Count II

9. The Division incorporates by reference paragraphs 1 through 7 as stated above.

10. Minerals West, Inc.'s demonstrated inability to perform their reclamation obligations under Utah Code Ann. §40-8-1 et. seq. (1953, as amended), necessitates an order authorizing the Division to immediately reclaim the MiVida Mine using funds from the forfeited Minerals West, Inc. bond in the amount of \$19,569.

PRAYER FOR RELIEF

The Division requests that the Board grant the Division relief as follows:

1. That the Board issue an Order revoking Minerals West, Inc.'s permit (M/037/028).
2. That the Board issue an Order forfeiting Minerals West, Inc.'s reclamation surety in the amount of \$19,569.
3. That the Board issue an Order directing the Division to commence reclamation activities at the MiVida Mine.

Requested this 23rd day of October, 1991.

A handwritten signature in dark ink, reading "Dianne R. Nielson", written over a horizontal line.

Dianne R. Nielson, Director  
Utah Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, Utah 84180-1203



IN THE MATTER OF THE BOARD  
ORDER TO SHOW CAUSE ISSUED  
TO MINERALS WEST, INC.'S  
MIVIDA MINE,  
SAN JUAN COUNTY, UTAH

DOCKET NO. 91-045  
CAUSE NO. M/037/028

Because of Minerals West, Inc.'s failure to secure all mine openings and perform other maintenance on the site to eliminate public safety and environmental hazards at the MiVida Mine, the Division requested that the Board issue an order authorizing the Division to reclaim the MiVida Mine site. Funds from the forfeited <sup>certified</sup> (\$19,569) bond would be used to reclaim the mine site. This bond had been posted for the purpose of reclamation of disturbances associated with the MiVida Mine Project. The following Board Members, constituting a quorum, were present and participated in the hearing and in the decision embodied herein:

James W. Carter, Chairman  
E. Steele McIntyre  
Judy F. Lever  
John M. Garr  
Kent G. Stringham  
Jay Christensen  
Raymond Murray

Members of the staff of the Division of Oil, Gas and Mining present at and participating in the hearing included:

Dr. Dianne R. Nielson, Director  
Division of Oil, Gas and Mining

~~D. Wayne Hedberg, Permit Supervisor~~ → *Holland Shepherd, SRS*  
Division of Oil, Gas and Mining

Thomas A. Mitchell, Assistant Attorney General of the State of Utah, also participated in the hearing on behalf of the Division of Oil, Gas and Mining.

Based upon the record and the testimony given during the December 5, 1991 hearing, the Board finds as follows:

#### FINDINGS

1. Minerals West, Inc. has failed to meet the time deadlines established by the Division and Board for compliance with the permitting requirements for the MiVida Mine site (M/037/028), San Juan County, Utah.
2. Minerals West, Inc. has failed to comply with the statutory requirements of Utah Code Ann. § 40-8-7 and Utah Admin. R. 613-004-113, which require an operator to eliminate public safety and environmental hazards upon cessation of mining operations.

#### CONCLUSION

The Board concludes that Minerals West, Inc. has demonstrated a knowing and willful pattern of violation of the Utah Mined Land Reclamation Act, Utah Code Ann. § 40-8-1, et seq. 1988, and the rules promulgated pursuant to statute.

#### ORDER

The Board finds Minerals West, Inc. in violation of the Utah Mined Land Reclamation Act and rules pursuant to Utah Code Ann. § 40-8-9, as set forth above.



Because of Minerals West, Inc.'s failure to meet the deadlines for compliance imposed by the Division, the Board hereby orders that Minerals West, Inc. permit number M/037/028 be revoked and the reclamation surety in the amount of \$19,569 be forfeited.

*or whatever amount currently remain in the account at the time of forfeiture.*

The Board orders the Division of Oil, Gas and Mining to prepare a detailed reclamation plan for those disturbances associated with Minerals West, Inc.'s operations at the MiVida Mine site. The plan should include, to the extent practical, provisions for remediation of any imminent public health and safety concerns which may pose a threat to the general public and local residents.

The Board hereby authorizes the Division to utilize the forfeited \$19,569 Minerals West, Inc. reclamation surety to perform the required onsite reclamation and/or remediation activities.

The Board reserves the right to seek supplemental relief from Minerals West, Inc., within its statutory authority, should the \$19,569 surety not be sufficient to complete the required onsite reclamation and/or hazard remediation activities pursuant to Utah Code Ann. §§ 40-8-8, 40-8-9.

Dated this \_\_\_\_\_ day of December, 1991.

BOARD OF OIL, GAS AND MINING

\_\_\_\_\_  
James W. Carter, Chairman